we get ready for a new President, to work together, Democrats and Republicans, to address this critical question.

I will close with one last comment. On the floor last night were Senator LANDRIEU and Senator CRAPO. I am very honored to have both of them as cosponsors of the Healthy Americans Act. We were talking about older workers. Today one of the worst spots to be in is if you are 57 or 58 years old and you are laid off from your job, because if you are laid off at 57 or 58, you go off into the broken individual health insurance market. You better not have any illnesses. It is going to be hard to get coverage. It is going to be very hard to afford it because you are going to be out on your own rather than in a group. And finally, you are not going to get the tax break, if you are all on your own, that you would get if you were with an employer health plan.

The Healthy Americans Act addresses each of those three concerns and, boy, those are not abstract questions for anybody in Colorado or Oregon or Idaho. Ask the GM retirees who got clobbered a few days go. If you are 57 or 58 and you are 8 years away from Medicare, you have a lot to worry about.

Our bipartisan coalition is working, I think, effectively and in the bipartisan fashion it is going to take to address those concerns as well.

I hope colleagues will reflect on what Dr. Orszag said this morning with respect to cost containment. We will have a lot more discussion in the days ahead about the concerns of older workers, as we started last night with Senator LANDRIEU and Senator CRAPO. We are especially thrilled that the distinguished Senator from Colorado is a member of the Finance Committee and I know we will have a chance to work together on those issues as well.

ORDER FOR RECESS

Mr. WYDEN. Mr. President, before I yield the floor, on behalf of the majority leader I ask unanimous consent the Senate stand in recess from 2:30 to 3:45 today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WYDEN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak as in morning business for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY

Mr. CRAIG. Mr. President, I came to the floor on June 19 to address my colleagues and the Senate about energy prices, as many of us have, because there is no question that the Senator from Colorado and I, when we go home on the weekends, hear as the No. 1 concern on the part of Coloradans or Idahoans their energy bill—the price of gas at the pump.

We are big western States. We travel long distances. When you roll into a gas station with your Ford F–150 and you start filling it up and you drive away, because it has dual tanks on it, having paid over $100 to fill it, you have a problem. You have a problem because you had bought that vehicle to facilitate your ranch or your farm or your job and you had anticipated that the most you would probably ever pay was $25 or $30 to fill up. That is what you budgeted. That is what you understood the economic impact of that vehicle, necessary to your job or your business, would be on your job or your business. But in less than a year, that changed.

That is the working man or woman's side of it. What about the soccer mom who travels around all over the community every day, dropping off her kids and going to the store and picking up goods and services and coming home and all of a sudden having an energy bill in the family budget that she and her husband had never anticipated would be there. We all know their salaries or their jobs are not going to compensate them because they are going to spend $500, $600, $1,000 or $2,000 more this year on their energy bill. That is only at pump, let alone at the meter that monitors the electricity at their home that is going to be going up; and the natural gas that is going to go through and into their heating systems and their stoves. That is going to be going up. There is no way for them, other than taking money from something else in their life, to offset that impact.

Those people such as myself who spend a good deal of time, and have for 28 years, on the issue of energy, were very fearful that a day such as today would come, a day of reckoning, a day when our country that, almost 20 years ago, decided it would no longer be a producer but because of environmental policy and political attitude, we began to change. We decided we would try to offset production with conservation and, in large part, we said to the energy-producing segment of our economy it could no longer drill in America, go elsewhere.

I will never forget meeting with the President of Amoco in Los Angeles about 15 years ago. He opined to me that the day would come when his company would have to leave this country because it could no longer produce in this country—and that is what happened. And doggone it, that is the truth. You can document it. You can see it happening. It happened. We put millions of acres off limits for one reason or another but largely because of an attitude in this country that somehow we were going to muck it up a little bit environmentally and we ought to leave it alone and it ought to be pure and it ought to be pristine. And, oh, by the way, energy is cheap. It was inexpensive at the time and we could buy it from somebody else. So basically we set the rest of the world to producing and we became increased consumers and increased buyers of foreign oil.

During that last 20-year period, something else began to happen. The oil we were consuming was no longer owned by companies we had interests in, it was owned by nations. It was owned by nations that were sometimes friendly to us, sometimes not so friendly to us, but nations that began to recognize they could gain the wealth of America by selling it oil because America no longer wanted to produce. We grew from about 35 percent dependent upon oil when I came to Congress in 1980, to, today, nearly 70 percent dependent. And those nations have us right by the gas nozzle today. They can do what they want. They are reaping our wealth at unprecedented rates—$1.2 billion a day—and they are turning around and buying back our companies and buying back our real estate with our money. But it is now under their ownership.

The greatest wealth transfer in the world is taking place as we speak, as America drains itself dry for the need of energy, and a Congress unwilling to act responsibly and having failed to act responsibly for the last 20 years. It is a dilemma unparalleled in American history.

When I came to the floor on June 19, I said there is an old country western song that says ''a little less talk and a lot more action.'' That was June 19. Now we are into mid-July. Oil prices went up nearly $15 more a barrel during that period of time and gas went from about $3.90 on average to $4.11 on the pump nationwide. Guess what. We still got a lot more talk but very little action.

Why is America angry today at their politician? Because their politician is fearful of action.

I once voted to lock up ANWR. I once voted to put off limits drilling out on the Outer Continental Shelf. It was for all my environmental friends. How do I change? How do I shift the political gears to meet the American people today who are saying simply go where the oil is, explore and develop and bring it on line. We need it desperately. It is draining our pocketbooks dry.

That is the domestic economics side. What about the national security side, when we are 70 percent dependent on foreign oil? So it is a national domestic economic issue and it is a U.S. national security issue. Guess what, folks. A lot more talk and hardly any action. So when the President stepped up a month ago and said why don't you in Congress lift the ban on Outer Continental Shelf oil drilling, I turned around and called the White House and said: Why don't you, Mr. President? You did it by Executive order a couple of years ago for the politics of Florida. Why don't you act?

He did act. He acted last week, in a responsible fashion, to lift the Executive order that limited the exploration and development in the Outer Continental Shelf. Guess what happened. Between the combination of a realization that Americans were consuming less in the summer of 2008 versus the summer of 2007—down by nearly 15 percent because they simply can't afford the oil and the gas anymore—coupled with the President saying to the marketplace, there is a potential for development and more production, the oil price began to slide. In the last few days it has dropped from $147 to $134. If it continues to do that, we might see gas prices at the pump slip 15 cents or 20 cents. But I doubt that it will unless this Congress acts.

The majority leader, the Democratic leader, came to the floor yesterday with a bill, 3268. What is it about? He says it is about speculation. What is speculation today? Is speculation the futures market that anticipates that gas may be going up so you hedge your investment against the future so you can offset the expense of new energy? Is that speculation or is that wise investment? I don't know. But I do know this, that in the legislation the Democratic leader has put up, there is not one drop of new oil in it; not one gallon of new gas in it; not one oil rig worth of new production in it.

We listened to two experts today who came to the Senate to talk about energy. They said there is no easy way out. You have to have some production, but you need conservation.

OK, look at the speculation side. Create greater transparency. Do all of those things. But it is truly a supply-and-demand market today and we are supplying less and demanding more. In this country in the last 10 years, our demand curve went up dramatically as everybody rolled out in their F–150 Ford pickups—and I don't mean to be picking on Ford Motor Company or their big SUVs—and they were getting 12 or 15 or 16 miles to the gallon and it was $2 and aren't we having fun, until it hit $4. Now they are mad and frustrated and angry and fearful of their future—and they have a right to be.

Many of us believed this day would come; we just didn't know what day on the calendar it would occur. Because the old principle of supply and demand in the marketplace, you can't divert. It happens. When you are supplying less and demanding more, it happens.

Here is a simple formula. Take every oil field in the world today that is producing, that has those big rigs on it pumping the oil—it depletes, meaning it uses up the oil in the strata that is underneath, at a rate of 4 percent to 5 percent a year. So the ability to have a field to continue to produce at the level it is begins to decline.

On top of that, the world is demanding about 1.5 percent more oil every year than it did the year before. Why? We are growing, we are buying big cars, our economy grows—but something else has happened. There is a new economy across the Pacific known as China. All of a sudden, they became consumers of oil. They begin to buy in the world marketplace.

Then there is another country further on across Asia known as India. They are consuming more and they are buying out of the same pools we are buying out of. All of a sudden the perfect marketplace storm occurred. We began to consume a great deal more than we were willing to produce. In this country we were consuming a great deal more than we were willing to produce, so the marketplace looked at it and said: Oh, we have a problem here. All of a sudden those who look at markets began to try to protect their future by buying into the future through the system—with no indication from us that we were going to do what was not politically correct, from the standpoint of our politics back home, but what was politically right for the American consumer; and that is, to get us back into the business of production.

So I am telling the majority leader, you can bring a speculation bill to the floor, but this is a Senator who will not support it and will not vote for it if it does not have production in it. We cannot talk our way out of this one, we cannot manipulate our way out of this problem. We have to produce our way out of this problem, and we have to conserve our way out of this problem.

Is it not interesting that when the world market began to discover that Americans had tightened their belts because they could no longer afford the gas at the pump and the consumption rate from last summer to this summer is down 15 to 20 percent and you have a world leader, this President, our President, stand and say: America, I am taking the limits off, in the ability of my office as President, through an Executive order, I am taking the limits off the Outer Continental Shelf, where we know there could be oil.

Some of us have said we ought to do the same thing here. Next week there will be plenty of amendments, if the majority leader allows true legislative dynamics on this floor, a bill to come up and a bill to be amended because we will add production to his lots-more-talk and little-to-no-action bill.

We will add production. If we do, and if it makes it to the President and if he signs it, I will bet you the price of oil in the world markets will begin to decline a little. Now, while that is all happening, in the next months and years, we have a lot of other work to do as a country. We have to bring on the hybrids, we have to bring on the electric cars, we have to learn to conserve in other ways.

Last year, I broke stride with the auto industry. I said: Mandatory 4 percent increase in CAFE fleet average standards. I had not done that in 28 years of my politics here. The auto companies came to me and said: Gee, why are you leaving us now?

I said: I have not changed in 28 years and neither have you.

I changed. I partnered with a Democrat, BYRON DORGAN. We set a mandatory 4-percent CAFE standard for fleet averages of automobiles in this country. It became law. When it is fully implemented, over a period of time, it is akin to bringing on an oilfield that produces 1.5 million barrels of oil a day because that is the amount that is saved.

So as a Senator who has always been a supporter of production, I also recognize there is a lot that can be saved through conservation. There is a lot that can be saved through new technology. I believe the generation ahead of us, this next 10 years in the economy, is going to be the decade of energy.

I think Americans are going to invest more and understand more about their energy and do more about their use of energy than they ever have in the decades before. Why? Because it is going to cost more. If it is going to cost more, there is probably more profit to be involved. If there is more profit to be involved, there is going to be more investment in it. But Congress, get out of the way. Quit being politically correct. Demand standards. Demand quality environmental procedure. But get out of the way, politicians. Let America produce once again. When we do, our economy will strengthen, the American families will fear less, our national security will be more assured, and we will not let the Venezuelas or the Nigerias or the Saudi Arabias or the Irans jerk us around by the gas nozzle the way they are doing now because, once again, as a great nation, we begin to stand on our own two feet.

We have arrived at that break point in the world of energy. It is time we act, responsibly, directly, and that we deal with a lot more action and a lot less talk because our Nation became a nonproducing nation today because of politics and public policy, not because the oil was no longer there.

Shame on us. Shame on the American politics of the last 10 years that denied production in this country. The American consumer, listen up: Call your Senator or call your Congressman right now and say: Pass a bill that allows us to drill.

It is quite simple. Pass a bill that allows us to drill. The futures market will decline and gas at the pump will begin to drop and the American economy will begin to stabilize. It is going to take some time, but you have to act first. So, Mr. Leader, you can bring a talking bill to the floor but allow us to make it an action bill. Allow us to make it a production bill. Americans, call your Senators and say: Allow us to drill.

It is that simple. That is how we change the world of American politics today, that for the last 20 years has denied the right of the American marketplace to produce the energy necessary to stay independent, free, and reasonable in price.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. KLOBUCHAR. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. KLOBUCHAR. Mr. President, I have been coming to the Senate floor to address the price of oil for several months now. It continues to astound me that every time I speak, the prices continue to go up.

The average price of a gallon of regular gas hit $3.95 in Minnesota and $4.11 cents nationwide. The price of diesel fuel is at $4.76 per gallon. The price of crude oil recently hit an unbelievable $145 per barrel.

There seems to be no relief in sight. Prices have gone up more than $1 per gallon over the last 6 months. Everyone knows that demand has not gone up 25 percent over the last 6 months, but the prices have gone up $1 per gallon over the last 6 months.

This increase is astonishing. Even more astonishing is the fact that the administration has continued to do nothing about the speculation issue, continues to do nothing to push the CFTC to use the tools it has and to push for more tools to do something about the excessive speculation that is going on in this market.

We cannot continue to do business as usual. I have heard from people in Minnesota who have canceled their trips up to their cabins because they simply cannot afford to fill their car with gas anymore. They have canceled their summer vacations. These are not glamorous summer vacations, these are little cabins up on the lakes of Minnesota.

I have heard from farmers who are having a hard time making ends meet, even in spite of the high commodity prices, because the cost of their input, diesel fuel for farm equipment and fertilizer made from natural gas, has spiraled out of control.

I have heard from the CEO of Northwest Airlines, based in Minnesota, about how the speculation in the oil markets has so greatly contributed to their cost and made it very difficult for them to continue business as usual with prices going up, grounding flights, not having as many flights leaving, leading to more delays in the summer, because if a passenger misses it, and we had a hearing on this in the Commerce Committee—there are not as many backup flights because there are not as many flights.

So the list goes on. The high price of energy has inflated the price of everything from groceries, to transportation, to home heating. It has impacted every sector of the economy, from manufacturing to forestry, to farms and small businesses.

Middle-class families are already struggling, as you know, with the high cost of health care and college education. We know we need to do things about that, but we keep getting blocked. We are very hopeful, with the new President, that we are going to be able to get things done for the middle class.

But for now, we have people in my State who simply cannot afford the price of gas when you couple it with everything else that has been going on in their lives. We know the statistics. We know what has been happening, where average families in the last 8 years, their wages have gone down about $1,000 a year, but their expenses have gone up about $4,000; so that is a net loss of $5,000 a year to them.

Many of the people in my State, and I know you know this, Mr. Presiding Officer, in Colorado, many of the people in my State are in rural areas. They do not have access to public transportation. They do not have a choice in how much they drive. They have to get to work. They have to get to the grocery store. They have to get to the doctor. Any pay increase they have gotten in the last year, if they have gotten one, has been eaten up by the cost of gas.

More often than not, I will tell you, there has not been a pay increase. But yet, as recently as February of this year, the President seemed taken aback when someone asked him about $4-a-gallon gas. He said:

> You are predicting $4-a-gallon gasoline? That is interesting. I had not heard that.

The fact is this administration has failed to provide Americans with a meaningful energy policy that would provide relief from high gas and energy prices. They saw this coming. They saw it was going on in the international markets but they failed to act. This country needs a bold energy policy for the future, a policy that will stabilize prices and give consumers more alternatives and reduce our dependence on foreign oil and provide us with the next generation of homegrown biofuels.

In short, I believe we have to invest in the people, the farmers and the workers, from my perspective, of the Midwest, not the oil cartels of the Mideast. The same could be said of any area of this country. This country spends $600,000 every minute on imported oil. That money leaves the pockets of American drivers, going overseas, and contributing to our enormous trade deficit. It amounts to a tax on the families and businesses of this country, and it undermines our national security.

Why does it affect our national security? That is because America has roughly 3 percent of the world's proven crude oil reserves, but we are responsible for about 25 percent of the world's oil consumption. Now, we know we cannot continue on this path without becoming more and more vulnerable to other parts of the world, some of which are politically unstable, some of which we do not want to do business with.

But there is another way. If you look at what is going on in Brazil, they have achieved energy security with a combination of biofuels. Now, they have sugarcane, so it is easier. But we have all kinds of things. We have all kinds of things: Switchgrass, prairie grass, that has not even been developed, other parts of the corn. We know we cannot do it all with corn. We are talking about algae, we are talking about biofuels. We are talking about residue from logging. There are all kinds of possibilities.

But Brazil was able to do it with a combination of sugarcane and domestic production and a government policy that drove them to energy independence. We need to put together a forward-looking energy policy with the same sense of urgency we had 40 years ago when we put a man on the Moon.

In the long term, this is going to mean strategic investment, putting these standards in place so people will push to buy the hybrid cars, electric cars, new solar technologies, cellulosic ethanol, other forms of energy for biomass.

We need to have better fuel efficiency standards for our cars and trucks. I am proud the Senate, on a bipartisan basis, for the first time since I was in junior high school, increased the gas mileage standards on cars by 10 miles a gallon. But there is so much more we can do.

We need a renewable electricity standard, we need to look at other sources, as I said, solar, we need to do more with nuclear, we need to do more to increase responsibly our domestic production. We need to have functioning refineries.

These are long-term solutions. I believe very strongly they are important, and we need to get them done.

But there is also something we can do in the short term about high gas prices that will bring immediate relief; that is, to address the role market speculation is playing in driving up energy prices. The administration likes to tell us these high gas prices are just a simple case of supply and demand; more people are driving, so the price of gas goes up. We know that is not true in our country. Fewer people are driving. There have been some increases internationally, but when the expert, Mr. Yergin, testified before our committee, he said there has been sort of a leveling off in terms of demand for world oil. Whatever it is, we know that even if there has been an increase in demand, it hasn't been 25 percent, such as we have seen with the dollar-a-gallon increase in only the last 6 months. The answer that it is just supply and demand doesn't hold true any longer.

Listen to the oil executives on this matter. On October 30, 2007, the CEO of Marathon Oil said:

> $100 oil isn't justified by the physical demand in the market.

On April 11 of this year, the CEO of Royal Dutch Shell said:

> The [oil] fundamentals are no problem. They are the same as they were when oil was selling for $60 a barrel.

On April 1, a senior vice president of ExxonMobil testified before the House:

> The price of oil should be about $50–55 per barrel.

If oil should be roughly $50 to $60 a barrel given market fundamentals, as we heard from the oil executives, why is it trading so high? Why is it trading at over $100 a barrel? If supply and demand, which should be the market forces which determine price, don't explain the high price of gas, what does? According to the experts, there is a frenzy of unregulated market speculation in the oil futures market that is driving prices up to record highs.

I would like to share a quote from an energy market analyst with Oppenheimer and Co. who was recently named by Bloomberg as the top-ranked energy analyst in the country:

> I'm absolutely convinced that oil prices shouldn't be a dime above $55 a barrel . . . Oil speculators include the largest financial institutions in the world. I call it the world's largest gambling hall . . . It's open 24/7 . . . It's totally unregulated . . . This is like a highway with no cops and no speed limit, and everybody's going 120 miles per hour.

Why are these trades in a commodity as vital as oil unregulated? You have to go back in time, to the middle of the night in 2000. A provision was inserted into the Commodities Futures Modernization Act that exempted electronic energy trades from Federal regulation. In the absence of oversight, what was once a small niche market became a booming industry, attracting rampant speculation from hedge funds and investment banks, the largest financial institutions in the world. Oil and natural gas prices became volatile. The provision came to be known as the Enron loophole because it made possible the many abuses that triggered the Western energy crisis and led, in part, to the collapse of Enron and cost the economy $35 billion and 600,000 jobs.

I am pleased to say that we succeeded in partly closing the Enron loophole in the farm bill. Those provisions will provide new protections in the natural gas market. They will put a new regulatory structure on ICE, the electronic exchange in Atlanta, where large traders try to game natural gas futures on an unregulated electronic exchange. But we need to do more. That is why I am proud to be a cosponsor of the Stop Excessive Energy Speculation Act of 2008. It was introduced by our leader, HARRY REID, and my colleagues, Senators DURBIN, SCHUMER, DORGAN, MURRAY, and others.

This bill has a number of provisions that will fight the kind of excessive speculation that drives up energy prices for hard-working American families.

This bill will close the so-called London loophole. It will stop traders from routing transactions through offshore markets in order to get around limits on speculation put in place by U.S. regulators. Specifically, the Intercontinental Exchange, or ICE, in London allows trading in American oil futures, gasoline and home heating oil, with far less stringent reporting requirements than what we have at home. This has driven a lot of energy trading offshore and out of the reach of our regulators. This bill will make those foreign trades in American oil and gasoline futures subject to the same reporting requirements as trades made at home, so we can stop a glut of overseas trades from driving up our energy prices.

The bill would also require the CFTC to review letters of no action it has issued to the ICE electronic exchange in Atlanta and the Dubai electronic exchange which operates in cooperation with NYMEX in New York. With those no-action letters, the CFTC gave these exchanges permission to operate in this country and trade in American energy futures with no oversight from U.S. regulators. I don't think I can tell the people of my State, in Duluth or Rochester, that they should rest easy because the Dubai Financial Services Authority is looking out for them. They know that is not true. We need to let speculators know that if they want to trade in American energy futures, they are going to be subject to American regulation.

We had the head of the CFTC testify before a joint meeting of the Agriculture and Appropriations Committees. I still can't quite believe the meeting. He was happy that we will give him more people to work in his agency since they have had an enormous decrease at the same time we have seen an enormous increase in rampant speculation. But I tried to push him. I said: When I was a prosecutor, I would want every potential way of trying to get evidence, trying to prosecute a case or get a sentence or a bill if it made sense and we could use it in going after a crook. It wouldn't mean we always used them. Some of them we maybe used once a year. With some of them, we have a hammer over someone's head. Some of them we used all the time. But you want to have those tools. He didn't seem that interested. That was the moment I thought: We are going to do everything we can to prop up this agency and get it moving, but we have to have people in charge who really want to do the job.

That is why I am so concerned about this administration. You haven't seen the same thing in the financial services area, where you have Secretary Paulson and Ben Bernanke working hard on this crisis, along with people in Congress on an equal footing, trying to get things done, communicating with us. I just didn't get that same feeling when we had that testimony before our committee.

What else will this bill do? This bill will also convene an international working group of financial market regulators to develop uniform reporting and regulatory standards in the major trading centers of the world to put an end to this problem of speculators shopping around the world for the weakest regulations.

The bill will require the CFTC to impose position limits on speculators who trade in energy futures but don't actually produce energy or receive physical delivery of energy commodities. So if you are an investor who buys and sells oil futures but you don't plan to even take delivery of actual barrels of oil, this bill will limit how much you can buy and sell so that you won't be distorting prices for your own personal gain. We know that has been going on. A lot of these people took the money, the funds, out of the subprime mortgage market and then started playing around in the oil market even though they are not truly involved.

Lastly, this bill is going to give the Commodity Futures Trading Commission the funding authority to hire at least 100 full-time employees so that the Commission can strengthen its regulations and improve its enforcement over the energy derivative markets. As a former prosecutor, I can tell you that good laws are not enough. You also need strong enforcement. You need the cops on the beat so that you can follow the money. When we follow the money in this $4-a-gallon gas, when we follow the money, we know where it is going to lead. We know it is going to lead—at least a piece of it—to market manipulation and speculation.

In conclusion, the cost of energy is hurting Americans from all walks of life and businesses in every sector of the economy. I don't think there is one silver bullet that will solve our energy crisis. It is more like a silver buckshot. We need a bold energy policy to carry the Nation forward. It needs to include both short-term and long-term solutions.

In the short term, we need to pass this bill and place stronger limits on market speculation. That will make a difference in the short term.

In the long term, we need to develop our energy resources at home. We need to improve refining capacity. We need to improve our domestic production. This is for the long term, so when speculators, even legitimate ones, are looking at America and thinking how much the price of oil is, they need to know we actually have a long-term plan. That, ultimately, is what will bring down the price, when they know we are ready to compete with big oil, that we have a plan, using increased efficiency of cars and trucks, that we have a plan which means looking at biofuels and truly having a competitive force. Maybe it is not E85; maybe it is E10, E20, so we have a blend of fuel. We have to invest in the research to get us those vehicles and get us that energy. We have to make a national commitment to generate electricity from renewable sources, just as my State of Minnesota does. I know there is groundbreaking work occurring in Colorado.

Finally, we have to embrace conservation. This is no longer Jimmy Carter going on TV in a sweater and looking glum. The people of this country see this not only as an environmental issue, they see it as an economic issue. They want to save a few bucks, whether it means putting in the right kind of lightbulbs or meters on their washers and dryers so they can figure out when to run them, whether it is more fuel-efficient cars. They want to do something differently. They are ready in my State to embrace conservation as a way to save money for their families.

The time is now for Congress to take strong steps toward creating a bold energy policy. American families are depending on us.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. MCCASKILL: I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mrs. MCCASKILL. Mr. President, pursuant to previous order, I ask unanimous consent that the Senate stand in recess.

The PRESIDING OFFICER. The Senate will stand in recess until 3:45 p.m.

Thereupon, at 2:28 p.m., the Senate recessed until 3:46 p.m. and reassembled when called to order by the Presiding Officer (Mr. NELSON of Florida).

The PRESIDING OFFICER. The Senator from Rhode Island.

ORDER OF PROCEDURE

Mr. WHITEHOUSE. Mr. President, I ask unanimous consent that the Republicans control the time until 4 p.m., the Democrats control the next 30 minutes, the Republicans control the following 30 minutes, and the Senate continue to alternate control of 30 minute blocks of time thereafter.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. WHITEHOUSE. Now, Mr. President, I understand Senator DOMENICI wishes also to say a few words. As far as I am concerned——

Mr. DOMENICI. Mr. President, I was hoping our leader would be here because he wanted some of this 15 minutes and I was thinking I could get in on part of it and I would not be here all afternoon. I do not have a long speech.

I say to the Senator, I understand he might.

Mr. WHITEHOUSE. Yes. Mr. President, I intend to use the first Democratic block of 30 minutes.

Mr. DOMENICI. Right.

Mr. WHITEHOUSE. But if Senator DOMENICI wishes to speak in the first Republican 15 minutes, and if he goes over for a certain amount of time, I am perfectly happy to yield to him. He is a very distinguished Senator.

Mr. DOMENICI. Mr. President, I say to the Senator, thank you so much. I am going to proceed on our time and see what happens with our leader. If he arrives, I will, obviously, yield to him. I will sit down and quickly get out of the way.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

ENERGY

Mr. DOMENICI. Mr. President, it is nice to be here with you in the chair, since we are discussing issues that are very important, of which you have been a part for a while around here.

First of all, I wish to talk for a minute about the good news. The good news is that crude oil prices have gone down $16 a barrel in 3 days. That is a bigger drop in the prices of crude oil in history in terms of actual dollars. One of those 3 days it was an $8 drop. I do not know what this bodes for the future, but today it looks good, it sounds good, and it ought to make us feel good.

What we ought to do is something positive that will have a chance of showing the world; that is, the world that is buying and selling oil and buying and trading oil futures on the market, that there is going to be more oil coming on because the United States has awakened; we have decided that after 27 years of being asleep. We have all this property called the continental offshore, which is owned by the people of our country, and for 27 years we kept all but small portions of it under lock and key. We had decided it was not worth opening that to drilling, even in modern days, when we have the cleanest and best way to go into deep waters and drill for oil. With oil spills being at a minimum, we kept it locked up.

The year before last, we passed a bill that started the process of opening parts of this great valuable offshore owned by our people. Yes, the President of the United States waited around for us to act and finally decided he would lift the Executive ban, the Presidential moratorium that was on 85 percent of the offshore that has been locked up.

Make no bones about it, now, when people say we have already let a lot of that land out to bid, 85 percent of the offshore—85 percent of the offshore—was under lock and key by moratorium until the President lifted the Executive ban. We now have imposed, on that same 85 percent, millions and millions of acres of offshore property.

Now we have the situation where, come the first day of October, the Congress will have to act to put on another 1-year moratorium; the moratorium of Congress is 1 year at a time. We will have to act to put it on or there will be no moratorium, and it will be open for leases pursuant to the law of the land.

This morning, I attended a workshop held by the Energy Committee to discuss the price of oil. We had two leading experts, and we were very fortunate, except that I would say we have heard about enough from experts, and we have talked enough about the problem. We ought to do something within the next couple weeks.

But at this workshop was Dan Yergin, chairman of Cambridge Energy Research Associates, publisher of a very popular book on oil. He was accompanied by Roger Diwan of PFC Energy. Their message to us this morning, with many Senators asking questions, coming in and out of the room, was the same as I have been hearing from leading economists for the last several weeks. What did they say? Supply and demand problems are the reason why gas prices are so high, why crude oil prices are so high.

The majority leader stopped by our workshop this morning to talk about the bill he has introduced today on speculation. He said that while he understood that speculation was not the only problem, he thought it was a big part of it and we should start there. Well, obviously, he controls how we start, so perhaps we will start with speculation. I, for one, think speculation is not nearly the problem of supply and demand, it is not nearly the problem of opening more property we own for drilling. I think that is the real problem: to put more of that out to the oil operators of the country and get started on some real new production.

I am puzzled by the decision our leader has made about going first with speculation, antispeculation statutes. I am not against looking at that, but if there is something we can do to increase transparency, that is fine. But why would we start by addressing problems when the experts tell us they are not the real problem?

What do the experts say? I will share with you a few comments of what they say.

David Yergin, a great expert, a very fluent man:

> The rise in oil prices can be explained by basic economic factors, such as limited growth in supplies in recent years, a weakening dollar, a global surge in energy demand, and a string of production disruptions in countries such as Nigeria.

Federal Reserve Chairman Ben Bernanke:

> There is speculation, but speculation, under most circumstances, is a positive thing. It provides liquidity and allows people to hedge their risks. And it provides price discovery. It can help allocate oil availability over time, depending on the pattern of future prices and so on.

Warren Buffett, chairman of Berkshire Hathaway:

> It's not speculation, it's supply and demand. We don't have excess capacity in the world anymore, and that's what you're seeing in oil prices.

So why would we start with speculation, instead of supply and demand? Eighty-five percent of the continental U.S. lands offshore are being locked up by Congress; that is, we have a prohibition. The most conservative estimates of how much oil is in the Atlantic and Pacific offshore is 14 billion barrels. Now, I actually think that is totally wrong. I think we have many times that, perhaps as much as three times